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Inside

PUBLISHED BY THE MONTANA DEPARTMENT OF CULTURE

INNOVATIONS AND TECHNOLOGY SUPPORTED

A new program for the department

One of the final building blocks in Governor Schwenden's "Build Montana" program was laid when the Montana Science and Technology Alliance was established by the 1985 Montana Legislature. It is a partnership of business, government and the university system directed by a 15-member Science and Technology Development Board, appointed by the Governor in August 1985.

The alliance solidifies the commitment to high, innovative technology that exists throughout the state. And, it is designed to expand—through research, development and commercialization—the business and industrial base of the state. An equally beneficial consequence is renewed cooperative support and spirit between the university system and business and industry.

The mission of the Science and Technology Alliance is to strengthen and diversify Montana's economy through a public-private sector partnership. By encouraging scientific and technology development within the state, it hopes to keep pace with changing economic conditions and to create new jobs and expand small business opportunities.

Its capital base consists of \$1.7 million in state funds that the board will invest in projects having substantial scientific and technological relevance to Montana's economy. While many technologies are eligible for investment, the funding program targets eight believed to have the highest growth potential for Montana: minerals, agriculture, forestry, energy, material science, information services, and microelectronics and computer science. The alliance has developed four complementary investment programs.

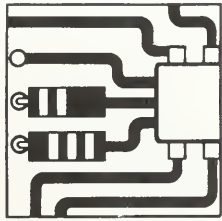
• **Research Capability Development.** Investments in this program will both create new and strengthen existing research, development and technology transfer centers and consortiums. And it will support private sector and university cooperative research and development efforts.

• **Applied Technology Research.** Joint investments will bring together industry, the university system or other research and development organizations that will ultimately conclude in the commercialization and production of a project or process in Montana.

• **Technical Assistance and Technology Transfer.** Investments will provide technical assistance, training and information to new or established firms to better utilize technology to the economic benefit of business and industry, schools and the general public.

• **Seed Capital Investment.** State funds will be used to encourage private-sector seed capital investment for early stage financing or applied technology commercialization.

All of these investment programs, except technical assistance and technology transfer, require at least a dollar-for-dollar private sector match. Funding awards rely on a rigorous evaluation of the technological and business merits of the proposal, as well as on its relevance to Montana's economy. All investments require that research and commercial operations be performed within the state.



Projects received

At the end of 1985, the alliance had received approximately 80 funding inquiries from various entrepreneurs, business executives, researchers and educators throughout Montana. The alliance has also received 23 executive summaries that briefly describe the proposed projects. These summaries are the first step in the formal proposal process: all reflect a geographical as well as a technological diversity.

The projects include nine research and development proposals for \$939,287; 11 seed capital proposals for \$1,918,500; and three technology transfer proposals for \$75,000. Total cost of the projects is estimated to be \$11,365,524. The board has already held the necessary planning and rule-making meetings to allow it to make investment decisions at its meeting scheduled for January 31 and February 1 in Missoula.

Venture capital network

As you can see, the \$1.7 million appropriated for technology development investments will not begin to cover all of the worthwhile projects submitted. To ease this crunch, Sam Hubbard, the alliance executive director, has started developing a venture capital network of both in-state and out-of-state investors.

In the fall 1985, Sam traveled to Boston and New York City to meet with venture capitalists, explain the alliance and discuss the types of projects that have been submitted. He encountered interest in reviewing and possibly investing in several Montana projects a year. In addition to the out-of-state investors, Montana also has a number of in-state organizations and individuals with capital available for investing in alliance projects. In exploring these options, the alliance hopes to leverage its \$1.7 million available for investments into a much larger sum.

PLEASE RETURN

Inside Commerce is published six times a year as an informational and educational tool for Montanans interested in public policy implementation through the Department of Commerce.

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& grants

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Perspectives



Keith Colbo is director of the Department of Commerce. Prior to this position he was a member for four years of the Northwest Power Planning Council. Colbo has held Montana state government administrative positions for the past 20 years and has served under three governors.

"Inside Commerce is a new publication of the Department of Commerce. The newsletter is published for Montanans interested in public policy implementation through the department.

The *Perspectives* column is intended to provide a forum for an animated discourse of current events and issues confronting both the public and private sectors. Column contributions are welcome and we'll do our best to provide you with both evocative and provocative perspectives.

I hope you refer to the *Resources* and the *Can We Help You?* sections of the newsletter whenever questions come to mind. We are interested not only in providing informative reading material but also in providing you with a variety of sources and resources for assistance.

Recently, a **Great Falls Tribune** story reported the results of a survey conducted by the paper in conjunction with the UM Bureau of Business and Economic Research. The results revealed that 57% of the survey respondents were unaware of the Build Montana program. If this newsletter manages to inform a few more people of the economic development and development finance options available through the department and state government, a subordinate—but useful—purpose will also be served."

Keith P. Colbo



• **Consumer Products Buyers Directory**, a buying guide for retailers, buyers and distributors, lists hundreds of Montana-made consumer products. Call the Business Assistance Division at 444-3923.

• **Montana Economic Development Board Annual Report** for fiscal year 1985 is available by calling 444-2090.

• **Montana Winter Guide**, a 32-page publication featuring winter recreational opportunities in the state is available from the Montana Promotion Division, 444-2654.

ECONOMIC CONDITIONS IN MONTANA

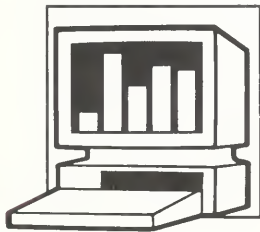
Preliminary information indicates that 1985 was not a year of strong economic growth in Montana. In fact, the economy probably was in recession the first quarter of the year. The second quarter showed growth, however. Adequate data are not yet available for a judgement as to growth for the second half of the year.

The main reason for the slow down was the decline in agriculture—brought on by the drought and low agricultural commodity prices. Contributing factors include the decrease in oil and gas exploration activity and the closure of two meat packing plants in Billings.

The decade of the 80s probably will be a period of slow employment growth overall. This is in contrast to the 1970s, when employment growth was strong, resulting in net in-migration of people (33,000). This in-migration in combination with an excess of births over deaths lead to a growth in total population of about 93,000. Net migration for the period 1980-1985 is estimated at about zero (just as many people left the state as moved in). Based on this information as well as on the slow employment growth projection, it is likely that the 1980s will be a period of new out-migration of people. Total population will grow because of the excess of births over deaths.

Very preliminary information on employment is available for the entire year. It appears that 1985 total employment either declined slightly or remained at the same level as 1984.

For the year as a whole, the preliminary employment information indicates also that all economic sectors, with the exception of retail trade and services, declined or remained constant. About 40% of all jobs in Montana, however, are contained within the retail trade and services industries.



OFFICE TO FOCUS ON ECONOMIC ISSUES

Department reorganization in July 1985, consolidated the planning and analysis functions of the department into the Office of Economic Analysis (OEA). The OEA provides staff and economic research for the Governor's Council on Economic Development, the Montana Ambassadors and serves as the director's policy arm.

Other components of the office include the Census and Economic Information Center (CEIC), and an economic analysis unit led by two full-time economists. The CEIC provides economic and demographic information to the department, other government agencies, Montana businesses, and the public. The OEA will also coordinate department ac-

tivities related to the economic development efforts of Build Montana. The office is responding to Director Keith Colbo's charge that embodies his three main priorities for leading effective economic development programs: coordination and consistency of effort among the programs; evaluation and adjustment of ongoing policy; and aggressive and professional staffing for the Ambassadors and the Governor's Council on Economic Development.

An important tool in meeting these charges is information and suggestions from outside the department. Ideas or questions regarding Build Montana or other department programs are welcome.

U.S.-CANADIAN TRADE

Montana and the western provinces

Trading goods and services across the U.S.-Canadian border has a tremendous impact on Montana's economy. The Department of Commerce, through the 49th Parallel Institute, is studying the positive and negative aspects of this important economic relationship.

Commerce's interest in a Montana-Canada trade study was spurred by recent proposals to establish an American-Canadian free trade area and by opposite trends in Congress favoring restrictions on some imports to the U.S. from Canada. The 49th Parallel Institute, a research center dedicated to improving mutual awareness and understanding of Canadian-American border issues in the West, was asked to gather data and analyze issues associated with cross-border relations in a number of economic sectors including forest products, agricultural products, energy, water, manufacturing and transportation.

The recent controversy over the effect of Canadian imports on the Montana forest pro-

ducts industry raised this sector to the top of the trade study agenda. Initial findings were presented to the Montana-Western Canadian Provinces Boundary Advisory Committee, a joint legislative-executive body created by the 1985 Legislature to meet with Canadian counterpart groups to discuss issues of mutual concern such as agriculture, education and research, economic development, natural resources and environmental protection. The final report will be submitted to the department in January and transmitted to the Governor shortly thereafter.

All sections of the study will offer an in-depth look at the advantages and disadvantages of economic policies and actions on both sides of the 49th parallel. The study effort should provide a thorough information base for future policy considerations and lead to continued improvement in Montana-Canada relations.

WINTER VACATIONERS ENHANCE ECONOMY

Winter recreation in Montana is big business. Unlike many states that either do not have snow or have no developed winter recreation areas, Montana has much to offer potential visitors, including 16 downhill ski areas, at least 13 cross country ski resorts and ranches, miles of snowmobile trails and two national parks.

Statistics gathered by the Northern Ski Area Operators Association (NSAOA) show that each nonresident skier spends a minimum of \$60 per day while vacationing in Montana. Last winter, the total number of skier days was just under 800,000, and about 29% of those skiers were non-residents. In all, they added about \$18 million to the state's economy in a five-month period. Many Montana businesses are also expanding and improving ski areas and facilities. According to NSAOA, about \$10 million in improvements were made over the past summer alone.

SKI PROMOTIONS

The Department of Commerce has joined forces and resources with business to create a multilayered winter advertising campaign for 1985-86. The strategy for this year's campaign hatched last spring when the snows had barely melted.

Montana Promotion Division, Northwest Orient Airlines, Western Airlines, the Northern Ski Area Operators Association and other Montana advertisers all agreed to contribute to the winter campaign. The result? A total of \$178,749. Top of the charts country and western song "Meet Me in Montana," sung by Marie Osmond and Dan Seals, served as the centerpiece for the multimedia promotion targeting nonresidents.

Campaign elements include:

- The **Montana Winter Guide** that was reformatted to highlight special features and events at each of the major ski areas.
- **Meet Me in Montana/Northwest Airlines Co-op**—the **Montana Winter Guide** was modified to include Northwest Orient Airlines' special offers. Approximately 240,000 guides were distributed through direct mail, at winter exhibitions and through Northwest's sales network.

The airline held a "Meet Me in Montana" sweepstakes featuring 11 grand prize trips for two to Montana donated by resort areas and the airline. Radio stations and ski shops in target markets worked together to advertise Montana skiing and the sweepstakes. The value of the radio airtime was \$240,000.

- **Western Airlines Co-op**—the **Montana Winter Guide** was also modified for Western Airlines and 25,000 copies were distributed through Western's sales network, at ski shows in Western's markets and in 10 cities during the annual fall Ski Mart.

- The Montana Promotion Division employed a new strategy this year to reach skiers in target markets.

A computerized data base produced the names of 66,000 skiers interested in Montana. Each skier then received a **Montana Winter Guide** plus a personalized letter from the Promotion Division.

In addition, a full-page ad appeared in the American Ski Association's 1985/86 Ski Directory and two ads were inserted in the October and November issues of **Ski Canada**.

- **Ski Montana Paid TV Advertising**—to generate new skiers for Montana, regional television commercial time was purchased in eastern Washington, North Dakota, South Dakota, Utah and Alberta.

The 30-second spot features ski information and updated snow and weather conditions at several Montana ski areas. The spots will be aired January 6 through March 14.

- **Winter Television Public Service Announcements (PSAs)**—this year two new, 30-second PSAs were produced and will be aired courtesy of Montana television stations throughout the winter months.

One video focuses on alpine skiing, nordic skiing and snowshoeing. The other features snowmobiling and is produced by a snowmobile manufacturer. In contrast to the efforts to attract nonresidents to Montana, the PSAs are designed to encourage Montanans to enjoy winter recreation.

WRITERS TOUR

How best to lure winter vacationers to Montana? One way is to ensure that the state is featured in magazines across the country. This winter, writers from **Ski**, **Skier's Holiday**, **Travel Magazine Pacific Northwest**, **Skiing**, **Powder**, **Ski X-C**, **Cross Country Skier** and more have been invited to sample some of Montana's finest winter recreation. Montana resorts will provide complimentary lodging, meals and skiing.

In February, one group of writers will discover Montana's cross country inns and ranches. The tour begins in the Flathead Valley on February 18, where the group will stay at Grouse Mountain Lodge and ski the groomed and lighted tracks out the lodge's backdoor. Day two of the tour features a ride on Amtrack to the nostalgic Izaak Walton Inn at Essex. There, the group will have its choice of skiing either in Glacier National Park or in the Scapegoat Wilderness.

Finally, the contingent will transfer to Sheridan, Montana, for a two-day stay at the Tobacco Root Guest Ranch. The ranch features backcountry tents or yurts for outdoor, overnight ski experiences.

Beginning on March 20, three Montana downhill ski areas will be visited by another group of writers. The first part of the tour features Lost Trail: guests will stay at Lost Trail Hot Springs Resort. For the remainder of the five-day trip, the writers will stay in Missoula and ski at both Marshall and Snow Bowl.



MONTANA PRODUCTS AT TRADE SHOWS

Montana building products were exhibited at the National Association of Home Builders at its 42nd Annual Convention and Exposition in Dallas, Texas, on January 17-20. The exposition, held in the 18-acre Dallas Convention Center, is the largest building products and services show in the U.S.

Montana's booth, which featured the "Made in Montana" logo, exhibited insulation, windows, trusses, doors, cabinets and wood stove pellet hoppers.

In May the booth will be at the San Francisco 1986 International Food and Wine Show. This is the third year that Montana food producers will be represented at the biggest food-buying show in the country.

In addition, the department and the Montana Retail Association organized a "Made-in-Montana" products show for January 31 through February 2 in conjunction with Billings Market Week. The two events bring together the largest number of Montana products ever presented at one time and informs buyers of products available for the spring and summer seasons.

Trade show exhibits are an important part of the marketing assistance provided by the Business Assistance Division. Because many Montana firms don't have in-house marketing expertise to place their products in national or international markets, trade-show exposure provides marketing options for Montana manufacturers who otherwise could not afford to exhibit their products.



SHOW PROMOTIONS

"Give a gift of Montana" was the theme of the department's 1985 Christmas advertising campaign to promote Montana-made products. Throughout November and December television and radio audiences across the state were urged by Governor Ted Schwinden to "look for the label and buy Montana-made."

Daily and weekly newspapers also ran ads listing area retailers of Montana-made products. This is the second year that the Department of Commerce has produced a public service advertising campaign to promote "Made in Montana" products during the holiday season.

In conjunction with the consumer campaign, the department also published a consumer products buyers directory for use exclusively by retailers, wholesalers and distributors. The directory, which lists over 400 Montana manufacturers by product category, was published at the suggestion of store owners who wanted to stock Montana-made products but lacked a convenient source of buying information.

Over 1,700 copies of the directory were mailed to retailers throughout the state, along with a Christmas poster continuing the give a gift of Montana theme to use for in-store displays.

Since its inception in June 1984, the Made in Montana product promotion has grown to include 1,700 Montana firms that have used over 3.5 million product labels. The public service media contribution is approximately \$400,000.

START A BUSINESS

Public libraries across the state have joined several state agencies in making information about starting a business readily available.

The "Start-A-Business" centers maintain an inventory of the most frequently requested business application and registration forms and informational publications used by the Department of Commerce. The materials provide basic business licensing information and also provide a statewide toll-free request line allowing direct consultation with the department's small business advocate.

Each center has been provided with counter cards to identify the library area devoted to business assistance, book marks with abbreviated information about the center's activities, checklist brochures about starting a new business, and publicity kits

utilizing radio, newspaper and television media to promote the centers. All materials are provided free to participating libraries.

The Start-A-Business program was developed by the department in cooperation with the Department of Revenue, the Department of Labor and Industry, the Secretary of State's office and the Internal Revenue Service. The program was implemented in June 1985, with Governor Schwinden proclaiming June as "start a business" month.

Centers are now established in 14 locations—Miles City, Glendive, Wolf Point, Glasgow, Havre, Great Falls, Helena, Kalispell, Libby, Missoula, Hamilton, Butte, Bozeman and Billings. Additional information is available by using the toll-free number, 1-800-221-8015.



ECONOMIC DEVELOPMENT

Investing in Montana businesses to strengthen and diversify the state's economy is the goal of the Montana Economic Development Board (MEDB). The board was created by the 1983 Montana Legislature in response to I-95 or the In-State Investment Initiative. The initiative required 25% of the revenue deposited in the permanent coal tax trust fund after June 30, 1983, to be invested in the Montana economy.

The board looks for loan projects that have the greatest potential for creating employment opportunities for Montanans and will produce other long-term benefits to the state's economy. The MEDB administers the Coal Tax Loan Program plus four development finance programs: the Pooled Industrial Development Revenue Bond Program; the Stand-Alone Industrial Development Revenue Bond Program; the Municipal Finance Consolidation Program; and the Montana Capital Companies Program. The primary focus of all programs is to increase the availability of long-term, fixed-rate financing.

Coal tax loan program

Coal tax loans to basic sector businesses are made through board-approved financial institutions such as state or federally chartered banks, savings and loan associations, credit corporations, investment companies, and qualified capital companies. Basic sector businesses include manufacturing, agriculture, mineral production and processing, transportation, tourism, businesses that produce a good or a service in Montana that was previously purchased outside the state, and wholesale or retail distribution of Montana-made goods. The loans may finance the acquisition of land, buildings or equipment and provide working capital if federally guaranteed.

Pooled industrial development revenue bond program

Loans in this program do not utilize coal tax trust funds; rather they are funded through the sale of state-issued industrial revenue bonds. Unlike the Coal Tax Loan Program, which is restricted to basic sector businesses, the Pooled IDB Program is available to wholesalers, retailers and service businesses, as well as to basic sector businesses.

These loans may finance most commercial, industrial and medical facilities, multifamily housing projects or real estate development projects.

The board periodically sells industrial development bonds to finance a pool of loans it has approved during the preceeding months. Costs of issuing the pooled bonds are prorated among the borrowers in a given pool and the interest rate is established when the bonds are sold.

In a recent issue, the average cost to borrowers was 12.25%. This figure compares to a current fixed-market rate of 13.5%, if a lender is willing to loan for a 20-year period.



Stand-Alone industrial development revenue bond program

The MEDB may also issue bonds on a "stand-alone" basis. Through this program the board acts as an issuing authority only. The originating business assumes the total risk on the financial project, is required to pay bond counsel fees and the board's administrative and financing fee. The interest rate on the underlying loan may be fixed or variable and the interest income on the loan is exempt from federal taxation. The maximum loan is \$10 million. During the first half of the fiscal year, the board provided funding totaling \$12,475,000 to four Montana businesses.

Municipal finance consolidation program

The goal of this program is to provide local governments with financing at attractive rates.

The Montana Cash Anticipation Financing Program (MCAFP) allows the sale of bonds to provide short-term financing for local governments. The bonds pay the operating expenses of towns, cities, counties and school districts

while they wait for the receipt of taxes and other revenues. The program is a short-term remedy to the cash-flow problem experienced by many local governments. The average interest cost to the local governments was 2.75%.

Montana capital companies program

Designed to make private venture or equity capital an available resource within the state, this program was approved in 1983. In order to operate, capital companies must first become "certified" and then "qualified" by the board. To become certified a company must submit an application. Once the company has raised \$200,000 in equity capital, it becomes qualified and can then invest in small basic-sector firms.

The state offers a 25% tax credit (up to \$25,000) as an incentive to individuals or corporate investors in Montana capital companies. A maximum of \$2 million in tax credits is available through 1987 on a first-come, first-served basis, with a \$375,000 maximum credit per company.

COMMUNITY DEVELOPMENT BLOCK GRANTS AWARDED

On December 20, the department announced that 13 Montana communities will receive over \$4 million in Community Development Block Grant (CDBG) awards.

Gallatin County received a \$300,000 economic development grant to provide water, sewer and street improvements for a new high tech industrial park adjacent to Montana State University. The improvements will allow Orionics, a local electronics manufacturer, to relocate and expand its employment by 50 positions.

Four communities received housing and neighborhood revitalization grants to rehabilitate substandard housing owned or occupied by low and moderate income families. These communities are Chinook (\$367,835), Malta (\$367,835), Missoula County for Clinton (\$317,259) and St. Ignatius (\$367,835).

Eight communities received public facilities grants. Bearcreek, Montana's second smallest municipality with 56 residents, received a \$400,000 grant to develop a community sewer system. Seven communities received grants to help finance construction or improvements to water systems: Chester (\$156,450), East Helena (\$348,397), Flaxville (\$99,500), Hot Springs (\$343,350), Kevin (\$400,000), Lima (\$400,000), and Pinesdale (\$378,105)—Montana's newest municipality.

The grant competition was intense with 35 communities requesting more than \$12 million in grants, three times the amount available. Ten of the 13 communities selected had applied unsuccessfully last year.

CDBG funds will also be awarded to three, multiyear projects that received two or three-year funding commitments as the result of grant competitions in 1983 and 1984. These grants, for \$500,000 each, were awarded to Butte-Silver Bow for a housing rehabilitation and public facilities project, to Hill County for economic development assistance to the

Big Bud tractor manufacturing firm, and to Kalispell for downtown revitalization, housing rehabilitation and economic development assistance to a plastics manufacturing firm that will employ the developmentally disabled.

The Community Development Block Grant Program, part of the Local Government Assistance Division, is a federally funded program administered by the Department of Commerce since 1982. Applications are reviewed and ranked by department staff and other state agencies according to program guidelines. Grants must benefit low and moderate income residents of the community.

A second grant competition is now open for economic development applications only. Applications are due March 3, 1986. A general competition in all grant categories is scheduled for fall 1986.

The new balanced budget legislation passed by Congress makes the future of the program a bit uncertain. Congress has already approved a tentative 1986 budget for the CDBG that would cut the allocation for Montana by 10%. President Reagan is calling for cuts of \$500 million as part of reductions in several domestic programs and additional reductions will be necessary to meet the spending targets in the Gramm-Rudman Act. If all the proposed cuts are approved, the 1986 CDBG budget will be 30-35% less than the 1985 figure. As a result of these cuts, Montana's allocation would drop from \$6,276,000 in 1985 to less than \$4,080,000 for 1986.

While these limited funds can't solve Montana's community development problems, they do provide crucial assistance in helping communities deal with long-term needs. The real significance of the CDBG funds is in what they can accomplish when combined with other federal, state and local funding sources. For example, the \$4,250,000 that was granted to communities this year makes possible an additional \$3 million in public and private investment and construction.

The inclusion of these grant funds in a project can make an otherwise sound economic development proposal financially feasible or can make badly needed water or sewer improvements affordable to low or moderate income families.

REGULATORY INSPECTORS MEET

The Division of Business Regulation on January 14 hosted a joint meeting of state regulatory inspectors from the Bureau of Weights and Measures, the Building Codes Bureau, the Professional and Occupational Licensing Bureau and the Fire Marshall's Office.

Meeting goals included introducing inspectors to one another, better understanding of respective jobs, identifying regulatory gray areas and overlapping jurisdictions and acquiring information on liability limits of individual inspectors and the state.

The discussion of liability limits was precipitated by an increasing awareness of the liability problem and the resulting indemnification of state inspectors. Ray Brault, attorney for the Department of Commerce, conducted the session. He explained that any governmental employee involved in a non-criminal action is protected by the employer for any money judgments or legal expenses, unless the employee's conduct falls within exclusions provided by law. The primary exclusion is conduct that involves oppression, fraud or malice.

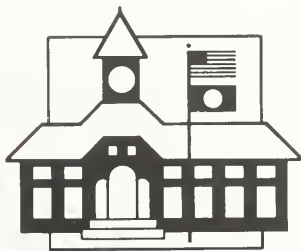
The two-day meeting was well attended and the enthusiasm of participants predicts similar gatherings in the future.

CASE POSTPONED

A landmark contested case before the Montana Milk Control Board has been postponed for at least 30 days.

The case, which was originally scheduled to be heard on January 15, includes a petition requesting a statewide milk producer pool. The pool would guarantee all state producers of milk a fair and stable single-blend price for their product. It would also modify the pricing formulas, including an increase in the price of class 1 milk.

The Milk Control Act permits a statewide pool. The process for change, however, involves public hearings, the administrative code committee and a referendum to the milk industry.



GOVERNOR LEADS TRADE MISSION

Governor Ted Schwinden led a delegation of business executives and state officials on a trade mission to Japan and Taiwan this past fall. The mission, which departed Montana on October 18, was conducted in cooperation with the Department of Commerce and the Montana International Trade Commission and explored business, tourism, agricultural and investment opportunities in the two countries.

While abroad, Governor Schwinden and members of the delegation signed a formal sister-state relationship agreement with Taiwan. Montana already has a sister-state agreement with the Japanese Prefecture of Kumamoto. During the tour, the delegation renewed its ties with Kumamoto, and also heard the Helena Boychoir perform in the Kumamoto International Youth Music Festival.

Before leaving the state the governor said that he hoped the trip would broaden the exposure of Montana's business community to existing and potential trading partners across

the Pacific. Establishing ongoing relationships are important and often are the foundation for trade relations in the Pacific Rim.

Department of Commerce Director Keith Colbo, who also made the trip, said that the trade mission would not only provide the department with the opportunity to meet with Japanese and Taiwanese business executives and government officials but also to visit state trade offices in Tokyo.

The delegation was divided into five teams: government, investment, tourism, agriculture, and technology, manufacturing and natural resources. Each team had a rigorous appointment schedule that included, among others, visits to the Taiwan Flour Millers Association, the China External Trade Development Council, Taiwan's Board of Foreign Trade, the Japan Regional Development Corporation, and Mitsui and Co., Ltd., a large Japanese trading company.

While nearly 100 Montana companies export products and services, and in the agricultural sector more than two-thirds of the state's exported wheat is sold to Asian Pacific countries, much remains to be learned at the state level about international trade relations and markets.

Montana's trading relationship with Asian Pacific countries is promising but still in its infancy when compared to the long-time, well-established relationship we enjoy with Canada, for example.

In a related vein, U.S./Canada trade is the subject of an ongoing study of the department (see story on page 3).

Can We Help You?

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Business Assistance Division, Byron Roberts, *Administrator*
Business Regulation Division, W. James Kembel, *Administrator*
Legal Division and Consumer Affairs, Brinton Markle, *Chief Counsel*
Local Government Assistance Division, Newell Anderson, *Administrator*
Montana Board of Housing, Jay McLeod, *Administrator*
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Montana Science and Technology Alliance, Samuel Hubbard, *Executive Director*
Aeronautics Division, Michael Ferguson, *Administrator*
Financial Division, Fred Napier, *Administrator*
Transportation Division, William Fogarty, *Administrator*
Management Services Division, Andy Poole, *Administrator*
Coordinator of Indian Affairs, Donald Clayborn, *Coordinator*

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